

Honolulu Authority for Rapid Transportation

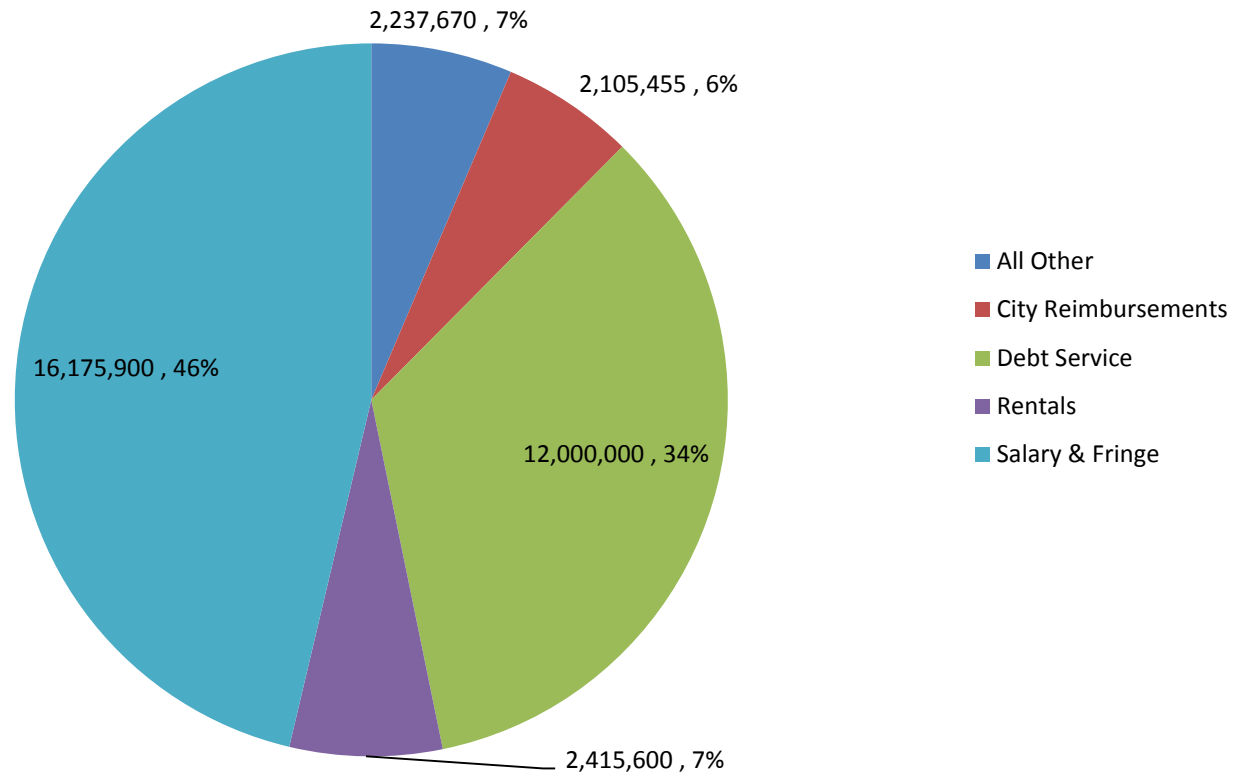
FY 2018 Requested Capital and
Operating Budgets

November 21, 2016

FY 2018 Budget Schedule

Date	Meeting	Action & Process
October 27, 2016	HART Board of Directors	<ul style="list-style-type: none"> • Requested FY 2018 Operating & Capital Budget, Six-Year Capital Plan submitted to HART Board of Directors by CEO & Executive Director • Board refers to HART Finance Committee for Review
November 10, 2016	HART Finance Committee	<ul style="list-style-type: none"> • Presentation of FY 2018 Requested Operating & Capital Budget and Six-Year Capital Plan • Public Hearing • Decision making re: Budgets and Six-Year Capital Plan recommendation to HART Board of Directors
November 21, 2016	HART Board of Directors	<ul style="list-style-type: none"> • Public hearing on Requested FY 2018 Operating & Capital Budgets • Decision making • If approved, FY 2018 Operating & Capital Budgets transmitted to Mayor and City Council by December 1, 2016 • Approval of Six-Year Capital Plan
December 1, 2016	HART Finance Committee	<ul style="list-style-type: none"> • Transmittal of approved FY 2018 Operating & Capital Budgets transmitted to Mayor and City Council by December 1, 2016
January – June 2017	City Council	<ul style="list-style-type: none"> • City Council Budget Committee review of FY 2018 Operating & Capital Budgets • City Council review of FY 2018 Operating & Capital Budgets completed by mid-June 2017
By June 30, 2017	HART Board of Directors	<ul style="list-style-type: none"> • Public hearing on FY 2018 Operating & Capital Budgets • Decision making re: adoption of FY 2018 Operating & Capital Budgets via Resolution • Decision making re: Six-Year Capital Plan via Resolution

FY 2018 Operating Budget



Total Operating Costs: \$34,934,625

FY 2018 Operating Budget

Budget Description	2017 Budget	2018 Budget	YOY Change Amount	%
<u>Labor Costs</u>				
Regular Pay	9,255,600	10,629,300	1,373,700	14.8%
Overtime, Night Shift, Temp Assign Pay	53,000	158,000	105,000	198.1%
Accumulated Lump Sum Vacation Pay	42,000	42,000	-	0.0%
Fringe Benefits	4,470,600	4,959,600	489,000	10.9%
Service or Merit Awards	1,000	1,000	-	0.0%
OPEB Contribution	292,000	386,000	94,000	32.2%
Accumulated Lump Sum Vacation Pay, Merit	43,000	43,000	-	0.0%
Labor Costs Sub-total	14,114,200	16,175,900	2,061,700	14.6%
<u>Current Expenses</u>				
Communication Services	142,500	158,500	16,000	11.2%
Computer Software Maintenance Agreement	100,000	14,400	(85,600)	-85.6%
Fees (Memberships, Registration & Parking)	40,000	136,390	96,390	241.0%
Parts / Hardware	188,300	194,300	6,000	3.2%
Professional Services Direct Reimbursement	2,070,800	2,117,955	47,155	2.3%
Professional Services Other	170,000	553,000	383,000	225.3%
Rentals	1,739,167	2,415,600	676,433	38.9%
Special Audit Services	-	250,000	250,000	0.0%
Transit Mitigation Fund	2,000,000	-	(2,000,000)	-100.0%
Travel Expense - Out-of-State	47,500	135,080	87,580	184.4%
All Other Current Expenses	708,000	708,000	-	0.0%
Current Expenses Sub-total	7,206,267	6,683,225	(523,042)	-7.3%
<u>Equipment</u>				
Equipment & Software	6,000	75,500	69,500	1158.3%
Equipment Sub-total	6,000	75,500	69,500	1158.3%
Total Operating Expenses	21,326,467	22,934,625	1,608,158	7.5%
<u>Debt Service</u>				
Interest Expense	10,000,000	12,000,000	2,000,000	20.0%
Debt Service Sub-total	10,000,000	12,000,000	2,000,000	20.0%
Grand Total	31,326,467	34,934,625	3,608,158	11.5%
Total Full-time Equivalent (FTE) Positions	139	137		

Budget History

Budget Description	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	Actual	Variance	Expended	FY 2017 Budget	FY 2018 Budget	From FY 2017	Change
Labor Costs											
Regular Pay	6,822,425	7,448,730	7,755,444	9,401,600	7,837,220	(1,564,380)	83.4%	9,255,600	10,629,300	1,373,700	14.8%
Overtime, Night Shift, Temp Assign Pay	70,554	118,849	148,163	53,000	164,076	111,076	309.6%	53,000	158,000	105,000	198.1%
Accumulated Lump Sum Vacation Pay	107,648	163,568	2,866	42,000	154,471	112,471	367.8%	42,000	42,000	-	0.0%
Fringe Benefits	3,522,065	3,537,207	3,757,566	4,326,400	3,612,771	(713,629)	83.5%	4,470,600	4,959,600	489,000	10.9%
Service or Merit Awards	209	-	71	1,000	117	(883)	11.7%	1,000	1,000	-	0.0%
OPEB Contribution	-	-	-	195,000	195,000	-	100.0%	292,000	386,000	94,000	32.2%
Labor Costs Sub-total	10,522,901	11,268,354	11,664,110	14,019,000	11,963,655	(2,055,345)	85.3%	14,114,200	16,175,900	2,061,700	14.6%
Current Expenses											
Advertising, Publication of Notices	39,004	27,672	21,659	45,000	10,109	(34,891)	22.5%	35,000	35,000	-	0.0%
Audit Service Fee	40,500	62,530	56,000	80,000	60,000	(20,000)	75.0%	80,000	80,000	-	0.0%
Communication Svcs	103,457	113,424	147,669	128,000	123,657	(4,343)	96.6%	142,500	158,500	16,000	11.2%
Computer Software Maintenance Ageement	47,614	52,121	37,749	1,000,000	127,033	(872,967)	12.7%	100,000	14,400	(85,600)	-85.6%
Fees (Memberships, Registration & Parking)	45,856	42,414	47,206	50,000	175,146	125,146	350.3%	40,000	136,390	96,390	241.0%
Insurance on Equip. & Gen. Liab.	14,190	126,490	65,647	73,000	71,051	(1,949)	97.3%	73,000	73,000	-	0.0%
Legal Services	1,782,767	646,961	33,939	100,000	58,496	(41,504)	58.5%	250,000	250,000	-	0.0%
Meals & Foods	6,468	9,780	6,199	6,500	6,346	(154)	97.6%	6,500	6,500	-	0.0%
Office & Computer Supplies	45,511	51,089	51,226	150,000	50,881	(99,119)	33.9%	130,000	130,000	-	0.0%
Other Fixed Charges	-	-	-	500,000	-	(500,000)	0.0%	-	-	-	0.0%
Other Repairs to Bldgs & Structures	314	316	-	5,000	828	(4,172)	16.6%	5,000	5,000	-	0.0%
Parts / Equip	19,506	97,636	11,253	210,300	5,041	(205,259)	2.4%	188,300	194,300	6,000	3.2%
Postage & Shipping	7,517	3,628	9,002	39,000	5,276	(33,724)	13.5%	39,000	39,000	-	0.0%
Printing & Binding	-	6,325	9,350	1,500	5,121	3,621	341.4%	11,500	11,500	-	0.0%
Professional Svcs. Direct Reimb	1,184,293	1,325,875	1,227,062	2,031,500	1,439,886	(591,614)	70.9%	2,070,800	2,117,955	47,155	2.3%
Professional Svcs. Other	525,449	189,481	18,313	170,000	336,731	166,731	198.1%	170,000	553,000	383,000	225.3%
R&M - Office Furniture & Equip	10,433	184	3,329	12,000	5,254	(6,746)	43.8%	12,000	12,000	-	0.0%
Rentals	2,273,205	2,305,581	2,172,228	2,445,000	2,548,176	103,176	104.2%	1,739,167	2,415,600	676,433	38.9%
Safety & Misc Supplies	4,991	2,550	3,105	6,000	4,578	(1,422)	76.3%	6,000	6,000	-	0.0%
Special Audit Services	-	-	-	-	-	-	0.0%	-	250,000	250,000	0.0%
Telephone	37,019	24,623	54,676	40,000	34,215	(5,785)	85.5%	60,000	60,000	-	0.0%
Transit Mitigation Fund	-	99,560	80,527	-	-	-	0.0%	2,000,000	-	(2,000,000)	-100.0%
Travel Expense - Out-of-State	72,153	-	-	95,000	103,181	8,181	108.6%	47,500	135,080	87,580	184.4%
Adjustment	39,533	-	-	-	-	-	0.0%	-	-	-	0.0%
Current Expenses Sub-total	6,299,780	5,188,240	4,056,139	7,187,800	5,171,006	(2,016,794)	71.9%	7,206,267	6,683,225	(523,042)	-7.3%
Equipment											
Equipment & Software	1,134	53,402	399	6,000	-	(6,000)	0.0%	6,000	75,500	69,500	1158.3%
Equipment Sub-total	1,134	53,402	399	6,000	-	(6,000)	0.0%	6,000	75,500	69,500	1158.3%
Total Operating Expenses	16,823,815	16,509,996	15,720,648	21,212,800	17,134,661	(4,078,139)	80.8%	21,326,467	22,934,625	1,608,158	7.5%
Debt Service											
Interest Expense	-	-	-	8,000,000	982,624	(7,017,376)	12.3%	10,000,000	12,000,000	2,000,000	20.0%
Debt Service Sub-total	-	-	-	8,000,000	982,624	(7,017,376)	12.3%	10,000,000	12,000,000	2,000,000	20.0%
Grand Total	16,823,815	16,509,996	15,720,648	29,212,800	18,117,284	(11,095,516)	62.0%	31,326,467	34,934,625	3,608,158	11.5%

FY 2018 CIP Budget

Cost Type	CPP Number	Contract Name	Requested Appropriations for FY 2018
Contract	ART	Project-wide Art	2,320,500
	DB320	Kamehameha Hwy Guideway (KHG) DB	36,848,659
	DBB600	Park-and-Ride Lots Construction	15,765,860
	MI900	Project-wide Fare Collection Design-Furnish-Install	2,408,440
	MI930	Project-wide Elevator / Escalator Design-Furnish-Install-Operate	15,354,000
	MI950	VAR Equipment Design-Furnish-Install	4,915,068
	MM901	Program Management Support Consultant 2 (PMSC-2)	11,793,762
	MM913	General Engineering Consultant, Construction (GEC-3)	7,536,287
	MM915	HDOT Traffic Management Consultant	657,288
	MM920	HDOT Coordination Consultant - West Oahu/Farrington Section	1,079,907
	MM921	HDOT Coordination Consultant – Kamehameha Section	3,311,120
	MM922	HDOT Coordination Consultant - Airport Section	847,013
	MM925	Hawaii Department of Transportation (HDOT) - Highway Group	846,863
	MM937	ROW Engineering Support Services (including Mapping & Surveying)	1,579,370
	MM941	Kako'o Consultant 2	434,483
	MM950	Owner-Controlled Insurance Program (OCIP) Consultant	228,333
	MM951	Owner-Controlled Insurance Program (OCIP) Broker + Insurance	3,903,330
	MM960	Archeological & Cultural Monitoring Services	993,478
	MM970	Fare Collection Consultant	400,000
	MM981	Complex Real Property Nego & Lit. Services	400,000
	MM982	On-Call Appraiser	400,000
	MM983	Land Court Petition Services	292,631
	PA102	Programmatic Agreement– Historic Preservation Committee	175,461
	ROW	Real Estate/Right-of-Way Acquisition	76,545,000
	UTIL	New Utilities or Relocations by Private Utility Owners	45,932,346
	WSUC	West Side Utilities Clearance Issues	38,709,677
Contingency	Contingency	Project Contingency	167,311,211
Grand Total			\$ 440,990,089

Potential FY 2018 Re-Appropriations

- By Board Policy, budget authorization is for one (1) year, lapsing on June 30 each fiscal year.
- If contracts are not awarded by June 30, 2017, then those costs will need to be re-appropriated from FY 2017 to FY 2018 by the HART Board of Directors
- FY 2018 Budgets will be reviewed and adopted by HART Board by June 30, 2017.

FY 2018-2023 6-Year Cash Flow

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Six-Year Total
BEGINNING BALANCE	\$ 68,559,126	\$ 324,976,125	\$ 404,658,288	\$ 206,040,573	\$ 308,681,484	\$ 313,070,129	\$ 68,559,126
Revenue & Debt Proceeds							
Revenue							
Federal Grant	294,587,133	229,474,254	213,628,152	2,929,669	-	-	740,619,208
G.E.T.	256,623,959	267,658,790	279,168,119	291,172,347	303,692,758	316,751,546	1,715,067,519
Private/Public	-	-	-	-	-	-	-
Total Revenue	551,211,092	497,133,044	492,796,271	294,102,016	303,692,758	316,751,546	2,455,686,727
Debt Proceeds							
Fixed Rate Bonds	402,302,800	226,602,800	291,862,800	251,702,800	101,102,800	-	1,273,574,000
G.O Bonds:	-	-	-	-	-	-	-
Less Issuance Costs	(2,302,800)	(1,602,800)	(1,862,800)	(1,702,800)	(1,102,800)	-	(8,574,000)
TECP (net) Max \$350 m	110,000,000	63,400,000	(55,800,000)	34,300,000	98,900,000	60,000,000	310,800,000
Variable Bonds	-	-	-	-	-	-	-
Total Debt Proceeds	510,000,000	288,400,000	234,200,000	284,300,000	198,900,000	60,000,000	1,575,800,000
Total Revenue & Debt Proceeds	1,061,211,092	785,533,044	726,996,271	578,402,016	502,592,758	376,751,546	4,031,486,727
Costs							
CIP Type							
Construction	500,759,019	506,074,575	753,111,616	288,844,618	149,774,530	82,345,995	2,280,910,353
Consultants	44,932,240	37,838,212	29,382,733	28,071,532	27,851,817	27,851,817	195,928,351
Contingency	-	-	98	7,955,740	172,127,494	31,600,374	211,683,706
Design	2,609,482	1,059,053	-	-	-	-	3,668,535
Inspection	20,387,315	21,950,961	25,285,309	27,573,371	27,318,236	17,960,329	140,475,521
Operating	12,092,289	11,772,592	11,133,198	11,133,198	11,133,198	11,133,198	68,397,674
Programmatic Agreements	733,874	453,042	-	-	-	-	1,186,916
Project-wide Art	622,830	794,280	794,280	794,280	794,280	794,280	4,594,230
Quality Audits	4,927,451	4,927,451	4,927,451	4,927,451	4,927,451	4,927,451	29,564,707
Recertifications	-	-	-	-	-	-	-
Right of Way	96,993,225	14,516,210	-	-	-	-	111,509,435
Utility Work by Private Utility Owners	84,642,024	68,165,443	60,415,284	63,568,698	58,990,280	27,914,937	363,696,665
Total CIP Costs	768,699,748	667,551,819	885,049,970	432,868,888	452,917,286	204,528,381	3,411,616,093
Operating (less Interest Expense)	24,094,345	25,299,062	26,564,015	27,892,216	29,286,827	30,751,168	163,887,634
Interest Expense	12,000,000	13,000,000	14,000,000	15,000,000	16,000,000	17,000,000	87,000,000
Total Operating Costs	36,094,345	38,299,062	40,564,015	42,892,216	45,286,827	47,751,168	250,887,634
Total CIP & Operating Costs	804,794,093	705,850,881	925,613,986	475,761,104	498,204,113	252,279,549	3,662,503,727
Net Change	256,416,999	79,682,163	(198,617,715)	102,640,911	4,388,645	124,471,997	368,982,999
ENDING BALANCE	\$ 324,976,125	\$ 404,658,288	\$ 206,040,573	\$ 308,681,484	\$ 313,070,129	\$ 437,542,125	\$ 437,542,125

Assumptions:

- 1) Revenue & Debt Proceeds from current Cash Flow Annualized PMOC FY 2017
- 2) \$6.8B CIP cost flow from Project Controls, Nov 2016
- 3) Operating costs assumes 5% annual increase
- 4) Interest expense assumes \$1M annual increase

Mahalo

Questions?